SONNENSCHEIN NATH & ROSENTHAL LLP

Matthew B. Stein (MS-0062) 1221 Avenue of the Americas New York, New York 10020

Telephone: (212) 768-6700 Facsimile: (212) 768-6800

Counsel to Molex Connector Corporation

THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

In re: : Chapter 11

DELPHI CORPORATION, INC., et al. : Case No. 05-44481 (RDD)

:

Debtors. : (Jointly Administered)

_____:

RESPONSE OF MOLEX CONNECTOR CORPORATION TO DEBTORS'
TWENTY-SECOND OMNIBUS OBJECTION PURSUANT TO 11 U.S.C. § 502(b)
AND FED. R. BANKR. P. 3007 TO CERTAIN (A) DUPLICATE OR AMENDED
CLAIMS, (B) EQUITY CLAIMS, (C) INSUFFICIENTLY DOCUMENTED CLAIMS,
(D) CLAIMS NOT REFLECTED ON DEBTORS' BOOKS AND RECORDS,
(E) UNTIMELY CLAIMS, AND (F) CLAIMS SUBJECT TO MODIFICATION,
TAX CLAIMS SUBJECT TO MODIFICATION, MODIFIED CLAIMS
ASSERTING RECLAMATION, CLAIMS SUBJECT TO MODIFICATION
THAT ARE SUBJECT TO PRIOR ORDERS, AND MODIFIED CLAIMS
ASSERTING RECLAMATION THAT ARE SUBJECT TO PRIOR ORDERS

Molex Connector Corporation ("Molex"), by and through its undersigned counsel, submits this response to the Debtors' Twenty-Second Omnibus Objection Pursuant to 11 U.S.C. § 502(b) and Fed. R. Bankr. P. 3007 to Certain (A) Duplicate or Amended Claims, (B) Equity Claims, (C) Insufficiently Documented Claims, (D) Claims Not Reflected on the Debtors' Books and Records, (E) Untimely Claims, and (F) Claims Subject to Modification, Tax Claims Subject to Modification, Modified Claims Asserting Reclamation, Claims Subject to Modification that are Subject to Prior Orders, and Modified Claims Asserting Reclamation that are Subject to Prior Orders, dated October 26, 2007 (the "Objection"), and respectfully represents as follows:

BACKGROUND

- 1. On October 8 and 14, 2005 (the "Petition Dates"), the Debtors filed their voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors continue to operate their businesses and manage their properties as debtors-in-possession under sections 1107(a) and 1108 of the Bankruptcy Code. The Court has ordered joint administration of these cases. No trustee or examiner has been appointed in these cases.
- 2. On June 14, 2006, Molex filed a proof of claim, claim number 7992 ("Claim No. 7992"), in the amount of \$881,213.67 against Delphi Automotive Systems LLC ("Delphi Automotive") for debt that was incurred prior to the Petition Date.
- 3. Since filing Claim No. 7992, Molex has worked with the Debtors to reconcile the dispute between the parties. While the parties have amicably resolved certain aspects of the dispute, certain areas of contention remain.
- 4. On October 26, 2007, the Debtors filed the Objection wherein they objected to Claim 7992 as a "Claim Subject to Modification", seeking that it be reduced to the amount of \$301,253.87, on the basis that the amount claimed is inconsistent with the Debtors' books and records.

RESPONSE TO THE NINETEENTH OMNIBUS OBJECTION

- 5. Molex does not agree that Claim 7992 should be modified to \$301,253.87 (the "Modified Claim") and asserts that the proper amount of the claim is \$493,837.62.
- 6. The Debtors' Objection is related to and based upon a series of eight debit memoranda wherein Delphi Automotive made cost recovery claims against Molex.
- 7. Molex does not dispute the content of four of the debit memoranda. These memoranda are:

DM # 52652 in the amount of \$49,790

DM # 51865 in the amount of \$11,292.75

DM # 52650 in the amount of \$10,941.30

DM # 20041210-165852076 in the amount of \$11,642.00.

8. Additionally, Molex and Delphi Automotive have agreed to resolve a fifth debit memorandum -- Delphi Automotive's debit of \$583,253.87 -- which was initially disputed by Molex, and as a result, the parties have agreed that the Debtors will repay \$301,253.87 of the claimed amount.¹

9. Molex, however, disputes the three remaining debit memoranda associated with Claim 7992:

DM # 52651 in the amount of \$152,680.00

DM # 52389 in the amount of \$11,151.25

DM # 51866 in the amount of \$50,462.50.

These three debit memoranda are attached hereto as Exhibit A.

10. With respect to DM # 52651, it appears that Delphi Automotive claimed that as a result of shipping errors, it incurred losses of 15,268 man hours. This number of man hours is excessively high and unjustified. Molex calculates, based upon past experience, that the actual number of lost man hours was actually approximately 1,360 hours. At a rate of \$10.00/hr, the shipping errors resulted in a loss of only \$13,600.00. Therefore, the amount of Molex's allowed claim must be increased by \$139,080.00.

11. With respect to DM # 52389, Molex is disputing the cost recovery rate charged by Delphi Automotive as excessive and not consistent with past practice. The rate charged was \$13.75, while past practices show that the rate should be \$10.00. Accordingly, the amount of Molex's allowed claim must also be increased by \$3,041.25.

¹ This amount of \$301,253.87 is reflected as the amount that the Debtors claim is the correct value of Claim 7992.

05-44481-rdd Doc 11023 Filed 11/21/07 Entered 11/21/07 14:04:44 Main Document Pq 4 of 4

12. With respect to DM # 51866, Molex disputes the entire debit memorandum due to

a lack of documentation substantiating the reasons for the debit. Therefore, the amount of

Molex's allowed claim must also be increased by \$50,462.50.

13. Therefore, Molex disputes that the value of Claim 7992 is properly \$301,253.87

and contends that the Modified Claim should be increased by \$192,583.75, representing a

revised claim of \$493,837.62.

WHEREFORE, Molex respectfully requests that the Court (i) approve Claim 7992 in

the amount of \$493,837.62 against Delphi Automotive Systems LLC, and (ii) grant such other

and further relief as proper.

Dated: November 21, 2007

Respectfully submitted,

By: /s/ Matthew B. Stein_

Matthew B. Stein, Esq.

SONNENSCHEIN NATH & ROSENTHAL LLP

1221 Avenue of the Americas

New York, New York 10020

Telephone: (212) 768-6700

Facsimile: (212) 768-6800

Counsel to Molex Connector Corporation